



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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Manufacturers and Traders Trust Company (M&T Bank), Buffalo, New York, Assumes All of the Deposits of K Bank, Randallstown, Maryland

FOR IMMEDIATE RELEASE

K Bank, Randallstown, Maryland, was closed today by the Maryland Office of Financial Regulation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Manufacturers and Traders Trust Company (M&T Bank), Buffalo, New York, to assume all of the deposits of K Bank, except certain brokered deposits. Brokered deposit customers should contact their brokers directly about the status of their accounts.

The seven branches of K Bank will reopen on Saturday as branches of M&T Bank. Depositors of K Bank will automatically become depositors of M&T Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of K Bank should continue to use their existing branch until they receive notice from M&T Bank that it has completed systems changes to allow other M&T Bank branches to process their accounts as well.

This evening and over the weekend, depositors of K Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of September 30, 2010, K Bank had approximately \$538.3 million in total assets and \$500.1 million in total deposits. M&T Bank did not pay the FDIC a premium for the deposits of K Bank. In addition to assuming all of the deposits of the failed bank, M&T



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-242-2010

Bank agreed to purchase approximately \$410.8 million of the failed bank's assets. The FDIC will retain the balance of the assets for later disposition.

The FDIC and M&T Bank entered into a loss-share transaction on \$289.0 million of K Bank's assets. M&T Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-830-4697. The phone number will be operational this evening until 9:00 p.m., Eastern Daylight Time (EDT); on Saturday from 9:00 a.m. to 6:00 p.m., (EDT); on Sunday from noon to 6:00 p.m., Eastern Standard Time (EST); and thereafter from 8:00 a.m. to 8:00 p.m., EST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/kbank.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$198.4 million. Compared to other alternatives, M&T Bank's acquisition was the least costly resolution for the FDIC's DIF. K Bank is the 140th FDIC-insured institution to fail in the nation this year, and the fourth in Maryland. The last FDIC-insured institution closed in the state was Ideal Federal Savings Bank, Baltimore, on July 9, 2010.
